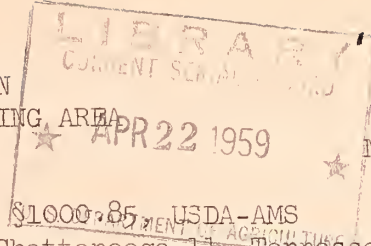


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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
March 1959



Number 8

Volume 3

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

1959 DAIRY SUPPORT PRICES ANNOUNCED

The current dollars and cents support prices for manufacturing milk and butterfat will be continued through the 1959-60 marketing year beginning April 1. The support prices are being continued at \$3.06 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat.

In making the announcement, Secretary of Agriculture Ezra Taft Benson said: "By law, the Secretary of Agriculture must before the beginning of the marketing year (presently April 1) set a level of price supports that will 'assure an adequate supply'.

"1959 production is not expected to be significantly different from 1957 or 1958 levels. Increased consumer incomes are in prospect, and commercial use of milk products per person is expected to be at least as large as in 1958. With the rise in population, supply and the commercial use of milk products -- measured on a fat basis -- is expected to be more nearly in balance than in several years. (However, we still expect some surplus of non-fat dry milk solids.)"

MARKET SUMMARY-MARCH 1959

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.82, Excess Milk \$3.11. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%.

During March 75.4% of the total producer milk was priced in Class I at \$5.21 per cwt. with a butterfat differential of 7.5 cents and 24.6% was priced in Class II at \$3.15 per cwt. with a butterfat differential of 6.6 cents. The percent of producer skim and butterfat priced in Class I was 75.9% and 63.4% respectively. Base milk was 91.3% and excess milk was 8.7% of the total producer deliveries. All excess milk and 17.5% base milk was priced in Class II and 82.5% of base milk was priced in Class I.

The daily average deliveries of producer milk during March increased 5.7% compared with February and increased 6.3% compared with March 1958. The daily average use of Class I milk decreased 2.6% compared with February and increased 0.8% compared with March 1958. The daily average base deliveries was 93.2% of the established base.

ACTIVITIES OF CHECK TESTERS March 1959: Plant Scales checked 7; Plant calls 97; Samples tested - Composite 1,876, Fresh 5,330, Finished Products 227.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958						1959						
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Can	626	614	600	586	553	516	490	474	449	433	427	413	400
Tank	173	184	191	201	229	265	289	303	319	331	334	342	349
TOTAL	799	798	791	787	782	781	779	777	768	764	761	755	749
New	1	3	0	0	2	18	23	6	2	3	4	0	2
Quit	4	4	7	4	7	19	25	8	11	7	7	6	8

Drink More Milk

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Mar. '59</u>	<u>Feb. '59</u>	<u>Mar. '58</u>
Number of Plants (Pool and Non-Pool)	20	20	23
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	178,749	164,279	260,015
Producer Milk - Bulk Tank	221,234	214,166	116,298
Total Producer Milk Pounds	399,983	378,445	376,313
% March '59 compared with:	100.0	105.7	106.3
Other Source Milk Pounds	7,202	11,126	6,750
Other Order Milk Pounds	27,627	26,315	17,078
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>434,812</u>	<u>415,886</u>	<u>400,141</u>
% March '59 compared with:	100.0	104.6	108.7
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	274,398	286,048	264,587
Buttermilk	36,865	37,343	37,490
Chocolate Milk	6,527	6,361	5,960
Fluid Skim	7,545	7,435	6,086
Fluid Creams	2,176	2,144	1,902
Bulk to Non-Handlers	1,696	1,402	12,424
Class I Shrinkage	3,194	2,153	1,797
Inventory Reclass.	(114)	(1,771)	(527)
Overstated Sales	-	-	-
Total Class I Milk	332,287	341,115	329,719
% March '59 compared with:	100.0	97.4	100.8
Class II Milk Pounds (Used to Produce)			
Butter	2,975	3,272	2,180
Cottage Cheese	15,021	13,208	11,579
Powdered and Condensed Milk	43,189	24,966	27,674
Ice Cream	23,383	21,980	17,758
Inventory Variation	8,096	609	3,183
Other	9,861	10,736	8,048
Total Class II Milk	102,525	74,771	70,422
% March '59 compared with:	100.0	137.1	145.6
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>434,812</u>	<u>415,886</u>	<u>400,141</u>
% Producer Milk of Gross Class I	120.4	110.9	114.1
% Delivered Base of Gross Class I	109.9	-	107.1
% Delivered Base priced in Class I	82.5	-	88.0
% Producer Milk priced in Class I	75.4	82.1	82.6

APRIL 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Apr. '59</u>	<u>Mar. '59</u>	<u>Apr. '58</u>
Basic Formula (See page 4)	\$3.37	\$3.42	\$3.52
Plus (\$1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	.00	.04	.10
Class I Price, 4.0% Butterfat	\$5.12	\$5.21	\$5.37

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: February and March	
Supply: Lbs. Producer Milk (Feb. 10,596,461 and Mar. 12,399,459)	22,995,920
Demand: Lbs. Net Class I Milk (Feb. 9,009,984 and Mar. 9,644,377)	18,654,361
Utilization Percentage: Producer milk divided by Class I	123
Standard Utilization Percentage: Range 119-123	123
Net Deviation Percentage: Standard Utilization minus Utilization	0
Supply-Demand Adjustment: 2 cents x 0 percentage points	\$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the supply-demand provision.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1959
Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,300,885	3.601		
Less Other Source		953,374	3.717		
Producer Milk Class I	75.4	9,347,511	3.589469	\$4.902102	\$458,224.52
Gross Class II		3,178,266	6.108		
Less Other Source		126,318	0.340		
Producer Milk Class II	24.6	3,051,948	6.346504	4.698693	143,401.67
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,399,459	4.268073		601,626.19
Less Fractional Adjustment					.06
Add Compensatory Payment Value					1,936.44
Add Overage Value					17.96
Add Inventory Reclass. Value					59.77
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					4,916.69
TOTAL VALUE AT TEST		12,399,459	4.268073		608,556.99
Less Test Over 4% @ 7.2¢ per point		12,399,459	.268073	0.193013	23,932.57
TOTAL PRODUCER MILK VALUE AT 4% TEST		12,399,459	4.0		584,624.42
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,074,442	\$3.15	\$33,844.92	
Total Excess Producer Milk		1,074,442	3.15	33,844.92	
Less Prod.-Settlement Fund Res. @ 4¢		1,074,442	.04		429.78
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,074,442	3.11		33,415.14
Value of Base Milk (Total less Excess)		11,325,017	4.863388		550,779.50
Less Producer-Settlement Fund Reserve		11,325,017	.043388		4,913.70
UNIFORM BASE PRICE f.o.b. PLANT - 4%		11,325,017	4.82		545,865.80

MARCH 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.10	\$2.39	4.0%	\$4.82	\$3.11	5.0%	\$5.54	\$3.83
3.05	4.136	2.426	4.05	4.856	3.146	5.05	5.576	3.866
3.1	4.172	2.462	4.1	4.892	3.182	5.1	5.612	3.902
3.15	4.208	2.498	4.15	4.928	3.218	5.15	5.648	3.938
3.2	4.244	2.534	4.2	4.964	3.254	5.2	5.684	3.974
3.25	4.28	2.57	4.25	5.00	3.29	5.25	5.72	4.01
3.3	4.316	2.606	4.3	5.036	3.326	5.3	5.756	4.046
3.35	4.352	2.642	4.35	5.072	3.362	5.35	5.792	4.082
3.4	4.388	2.678	4.4	5.108	3.398	5.4	5.828	4.118
3.45	4.424	2.714	4.45	5.144	3.434	5.45	5.864	4.154
3.5	4.46	2.75	4.5	5.18	3.47	5.5	5.90	4.19
3.55	4.496	2.786	4.55	5.216	3.506	5.55	5.936	4.226
3.6	4.532	2.822	4.6	5.252	3.542	5.6	5.972	4.262
3.65	4.568	2.858	4.65	5.288	3.578	5.65	6.008	4.298
3.7	4.604	2.894	4.7	5.324	3.614	5.7	6.044	4.334
3.75	4.64	2.93	4.75	5.36	3.65	5.75	6.08	4.37
3.8	4.676	2.966	4.8	5.396	3.686	5.8	6.116	4.406
3.85	4.712	3.002	4.85	5.432	3.722	5.85	6.152	4.442
3.9	4.748	3.038	4.9	5.468	3.758	5.9	6.188	4.478
3.95	4.784	3.074	4.95	5.504	3.794	5.95	6.224	4.514

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar. '58	\$4.90 ² / ₂	\$5.02 ¹ / ₁	\$3.06	7.4¢	\$5.32	7.7¢	\$3.10	6.8¢
Apr.	4.57 ² / ₂	4.83 ¹ / ₁	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 ² / ₂	4.58 ¹ / ₁	2.94	7.2	5.08 ¹ / ₁	7.5	2.98	6.6
June	4.33 ² / ₂	4.48 ¹ / ₁	2.95	7.2	4.96 ¹ / ₁	7.5	2.99	6.6
July	4.48 ² / ₂	4.62 ¹ / ₁	3.01	7.2	4.95 ¹ / ₁	7.5	3.05	6.6
Aug.	4.59 ¹ / ₁	-	-	7.2	5.06 ¹ / ₁	7.5	3.10	6.7
Sept.	4.77 ¹ / ₁	-	-	7.4	4.96 ¹ / ₁	7.6	3.45	6.9
Oct.	4.86 ¹ / ₁	-	-	7.6	5.14 ¹ / ₁	7.8	3.36	6.7
Nov.	4.88 ¹ / ₁	-	-	7.4	5.23 ¹ / ₁	7.6	3.35	6.7
Dec.	4.80 ¹ / ₁	-	-	7.2	5.17 ¹ / ₁	7.5	3.46	6.9
Jan. '59	4.88 ¹ / ₁	-	-	7.4	5.21 ¹ / ₁	7.8	3.33	6.6
Feb.	4.79 ¹ / ₁	-	-	7.2	5.18 ¹ / ₁	7.5	3.21	6.6
Mar.	4.67 ² / ₂	4.82 ¹ / ₁	3.11	7.2	5.21 ¹ / ₁	7.5	3.15	6.6
Apr.	-	-	-	-	5.12 ¹ / ₁	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

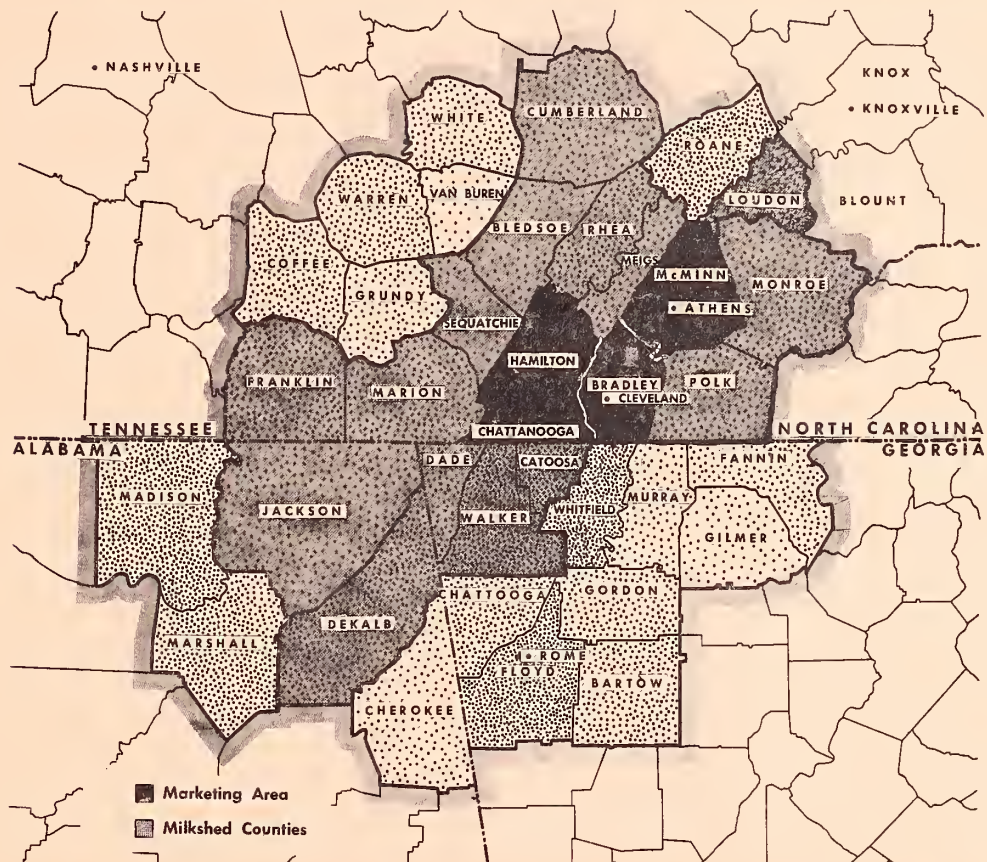
Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West	Chi. 92°	Chi. Area	Wisc.	(\$-cwt-4%)				
	Cond.	Butter	Powders	Cheese	Mid-West	Butter	Butter	4 Tenn.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	\$-cwt-4%
Mar. '58	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.	
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk	Test %
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.		
Mar. '58	329,719	310,776	376,313	353,279	400,141	23	799	471	442	29		4.30
Apr.	315,814	292,133	431,190	371,749	458,987	23	798	540	466	74		4.22
May	311,391	287,275	429,256	369,197	458,164	21	791	543	467	76		4.22
June	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48		4.11
July	299,494	276,327	359,507	328,120	389,291	21	782	460	420	40		4.16
Aug.	323,673	297,905	383,592	-	414,637	21	781	491	-	-		4.11
Sept.	374,368	347,589	392,411	-	426,999	21	779	504	-	-		4.17
Oct.	372,297	346,532	395,318	-	427,085	20	777	509	-	-		4.35
Nov.	356,251	328,796	392,826	-	426,727	20	768	511	-	-		4.43
Dec.	337,190	310,664	389,420	-	424,448	20	764	510	-	-		4.51
Jan. '59	362,182	334,475	388,058	-	423,437	20	761	510	-	-		4.46
Feb.	341,115	310,826	378,445	-	415,886	20	755	501	-	-		4.32
Mar.	332,287	301,533	399,983	365,323	434,812	20	749	534	488	46		4.27

¹/ Excludes Premium²/ For statistics only³/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base

CHATTANOOGA, TENNESSEE MILKSHED COUNTIES - DECEMBER 1958



NUMBER AND DELIVERY TYPE PRODUCERS BY COUNTIES - DECEMBER 1958 CHATTANOOGA, TENNESSEE AREA

STATE AND COUNTY	PRODUCERS		TOTAL	DAILY AVERAGE LBS. PER FARM
	FARM TANK	CAN		
TENNESSEE				
Bledsoe.....	3	16	19	410
Bradley.....	30	135	165	461
Cumberland.....		4	4	609
Franklin.....		22	22	486
Hamilton.....	4	60	64	647
Loudon.....		10	10	482
Marion.....	4	28	32	425
McMinn.....	138	52	190	488
Meigs.....	20	24	44	452
Monroe.....	33	3	36	630
Polk.....	11	11	22	672
Rhea.....	17	12	29	403
Sequatchie.....	4	22	26	502
GEORGIA				
Catoosa.....	26	8	34	707
Walker.....	32	2	34	687
ALABAMA				
DeKalb.....		18	18	187
Jackson.....	9	6	15	469
TOTAL MARKET.....	331	433	764	510

AS OF JANUARY 1, 1959

AGRICULTURAL MARKETING SERVICE

